

## SUPPLEMENTARY ORDER PAPER.

# HOUSE OF REPRESENTATIVES.

Friday, the 8th day of September, 1876.

*Message from the Legislative Council to the House of Representatives.—No. 39.*

THE Legislative Council have agreed to the amendments made by the House of Representatives in the Bill intituled "The Building Societies Act, 1876," with the exception of the last three amendments in clause 12, and the amendment in clause 16 of the Bill, as sent from the Legislative Council, and transmit herewith their reasons for dissenting to the said amendments.

The Legislative Council agree to the insertion of the words "personally or by proxy," in clause 18 of the Bill, provided the House of Representatives are willing to add the words "exercisable by members only," after the word "proxy."

The managers appointed to draw up reasons for the Legislative Council dissenting to the amendments made by the House of Representatives in clauses 12 and 16 (with the exception of the first amendment in the said clause 12) in the Building Societies Bill, have the honor to submit the following reasons:—

(1.) Because in view of the powers of borrowing conferred upon building societies by the provisions of clause 12, it would not be conducive to the interests of the society itself, or the security of those who might be lenders of money to it, to give to members a power which might possibly be so exercised as practically to withdraw the whole of its subscribed capital.

(2.) Because extensive dealings with land for speculative purposes are foreign to the object for which building societies are constituted.

It is known that, by at least one building society in this colony, the project of acquiring a large tract of land for such purposes has been entertained.

(3.) Because the practice of competition in the disposal of shares induces ignorant or necessitous members to enter into improvident and injurious engagements, and the effect of the amendment of the House of Representatives, in clause 16 of the Bill, would perpetuate this injurious practice in favour of the existing societies which have established it.

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